LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
http://www.in.gov/legislative

FISCAL IMPACT STATEMENT

LS 7516
BILL NUMBER: HB 1001

NOTE PREPARED: Apr 14, 2009
BILL AMENDED: Apr 13, 2009

SUBJECT: Budget Bill.

FIRST AUTHOR: Rep. Crawford
FIRST SPONSOR: Sen. Kenley

BILL STATUS: As Passed Senate

FUNDS AFFECTED: <u>X</u> **GENERAL**
<u>X</u> **DEDICATED**
<u>X</u> **FEDERAL**

IMPACT: State & Local

<u>Summary of Legislation:</u> (Amended) This bill does the following.

State Appropriations: The bill makes appropriations for the biennium for the operation of state government and various other uses, and it also authorizes the issuance of bonds for various capital projects.

American Recovery and Reinvestment Act of 2009 (ARRA): The bill adds requirements concerning money available under the federal American Recovery and Reinvestment Act of 2009 for: (1) grants to local education agencies based on Title I of the Elementary and Secondary Education Act of 1965; and (2) special education funding. It specifies that the Governor is solely authorized to accept on behalf of the state any and all ARRA funds available to the state, and it requires the Governor to submit a report covering applications filed and any action necessary to qualify the state for the ARRA funds to the executive director of the Legislative Services Agency. The bill directs the Governor to seek a waiver from the Secretary of the federal Department of Education if it is determined that Indiana does not meet the requirements of the ARRA concerning the state fiscal stabilization fund administered by the federal Department of Education.

Local Unit Provisions: The bill authorizes a local unit issuing debt to provide for a repayment schedule that will result in the same or a lower amount of interest being paid on obligations that would be issued using nearly equal payment amounts. The bill also allows an elected county, city, town, or township officer to waive some or all of the elected officer's compensation for any year and repeals a statute that allows only an elected town officer to waive compensation.

Gaming License Transfers: The bill prohibits the Indiana Horse Racing Commission and the Indiana Gaming Commission from: (1) imposing, charging, or collecting by rule a fee that is not authorized by statute on any party to a proposed transfer of an ownership interest in a license; or (2) making the approval of a proposed transfer of an ownership interest in a license contingent upon the payment of any amount that is not authorized by statute.

Income Tax Provisions: This bill amends the definition of "Internal Revenue Code" used in Indiana statutes and regulations to refer to the Internal Revenue Code in effect on February 17, 2009.

The bill requires an add-back to Indiana adjusted gross income of any amounts relating to:
(1) the first $2,400 of unemployment compensation excluded from federal income under Section 85(c) of the Internal Revenue Code;
(2) the exclusion from income for discharged debt on principal residences;
(3) the deferral of income from certain discharged debt under Section 108(I) of the Internal Revenue Code;
(4) the additional deduction attributable to the 15-year straight-line depreciation for new restaurants;
(5) the additional deduction attributable to the 15-year straight-line depreciation for certain retail improvements;
(6) the additional deduction attributable to the special allowance for qualified disaster assistance property;
(7) the deduction for an election to expense costs related to certain refineries;
(8) the deduction for an election to expense costs for certain qualified film and television productions;
(9) ordinary income treatment for the gain or loss from the sale of Fannie Mae or Freddie Mac stock; and
(10) the exception for active financing income for insurance companies and financial institutions under Section 953(e) of the Internal Revenue Code (known as the Subpart F exception for active financing income).

The bill also provides that when calculating the deduction for unemployment compensation, the first $2,400 of unemployment compensation excluded from federal income under Section 85(c) of the Internal Revenue Code should be considered.

It also requires that two years be used instead of five years for the net operating loss carryback period for small businesses and requires the use of a five-year carryback period for net operating losses for qualified disaster losses.

State Retiree Health Benefit Trust Fund: The bill reallocates the cigarette tax revenue that is used to offset the employer health plan tax credit to a new state retiree health benefit trust fund.

School Scholarship Tax Credit: This bill provides that a taxpayer is entitled to a state tax credit for a contribution to a scholarship granting organization. The contribution must be used by the scholarship granting organization in a scholarship program to provide scholarships to eligible students. The total amount of tax credits that may be awarded is limited to $5,000,000 in any state fiscal year.

Special Volume Cap Provisions: The bill provides that any special volume cap regarding bonds issued under a federal act providing the cap is in addition to the volume cap under Section 146 of the Internal Revenue Code. The Indiana Finance Authority is to be responsible for determining any allocation of special volume caps.

Statewide Independent Living Council: The bill changes the membership of the Statewide Independent Living Council.

K-12 Education: The bill delays the implementation of fiscal year budgeting for school corporations until the budget year beginning July 1, 2011.

The bill repeals the statutes allowing school corporations to use money in their capital projects funds for utilities and insurance.

It provides that a charter school may receive technology funds. It also specifies that the Senator David C. Ford Educational Technology Fund may also be used for a school technology program that is developed by the Department of Education (DOE) and that may include grants to school corporations for the purchase of: (1) equipment, hardware, and software; (2) learning and teaching systems; and (3) other materials; that promote student learning, as determined by the department.

The bill requires the DOE to develop a charter school facilities incentive grants program before January 1, 2010, using priority criteria set forth in federal law.

The bill specifies that state adult education funding may also be provided to entities that are eligible providers for purposes of the federal Adult Education and Family Literacy Act. (Current law limits state adult education funding to school corporations.)

The bill provides that a charter school or conversion charter school that has received an advance for operational costs from the Common School Fund does not have to make principal or interest payments during FY 2010 and FY 2011. It extends the repayment terms by two years to provide for the waiver of payments.

The bill also provides funding for a virtual charter school if the proposed establishment of the virtual charter school has been reviewed by the State Budget Committee and approved by DOE. The funding amount is the virtual charter school's ADM multiplied by 80% of the statewide average basic tuition support.

The bill also requires a school corporation with an ADM on June 30, 2009, of less than 100 students to reorganize by consolidating with an adjacent school corporation under the school consolidation provisions.

Higher Education: The bill also provides that a state educational institution may not enter into, modify, amend, or terminate any swap agreement without the specific approval of the public finance director.

The bill requires the Commission for Higher Education with the assistance of the State Student Assistance Commission (SSACI) to study the funding of college scholarship programs provided by SSACI and the state's public universities.

Health Insurance Study: The bill also requires the Budget Agency to review the costs of providing employee health, vision, and dental insurance for state employees and employees of school corporations and public universities.

Automated Record Keeping Fee and Judicial Technology and Automation Project: The bill provides that in all civil, criminal, infraction, and ordinance violation actions, the clerk of the court shall collect an Automated Record Keeping Fee in the following amounts: (1) $7 before July 1, 2009. (2) $5 after June 30, 2009. The Budget Agency (rather than the Division of State Court Administration) is to administer the Judicial Technology and Automation Project Fund. The bill eliminates the statutory annual appropriation from the fund. It also requires the Budget Agency to establish standards and procedures for the Judicial Technology and Automation Project, and authorizes the Budget Agency to make grants related to the project.

Prosecuting Attorneys Retirement Fund (PARF): This bill increases the Court Administration Fee from $5 to $7 for all courts except the Marion County Small Claims Court, and directs that the additional amount be paid into the Prosecuting Attorneys Retirement Fund. The bill eliminates contributions for a participant in PARF with at least 22 years of creditable service. For a participant who applies for a retirement benefit after November 30, 2010, the retirement benefit is to be based on the salary being paid for the office with the highest annual salary that the participant held before or at the time of the participant's separation from service. It also reduces the early retirement reduction factor and makes changes to the PARF disability benefits.

The bill also increases the minimum annual survivor benefit from $7,000 to $12,000. The benefit increases paid in state fiscal years beginning after June 30, 2011, are to equal the percentage by which the salary being paid for the office with the highest salary that the participant held before or at the time of the participant's separation from service increases.

Industrial Development Loans: The bill authorizes certain industrial development loans.

Bonding Provisions: The bill authorizes the Indiana Finance Authority (IFA) to issue bonds to provide additional correctional facilities, at a cost of not more than $45,000,000.

Soldiers' and Sailors' Children's Home Task Force: The bill establishes the Indiana Soldiers' and Sailors' Children's Home Task Force, and requires the Task Force to submit a report to the Governor and the General Assembly before January 1, 2010.

I-Light Fiber Optic Network: The bill requires the IFA to study the mission, organization, and management structure of the I-Light Fiber Optic Network and submit a report to the Governor and the Legislative Council.

Tamper-Resistant Prescription Drug Forms: The bill provides that the Office of the Secretary of Family and Social Services (FSSA) may implement and require the use of tamper-resistant prescription drug forms in any health care program administered by FSSA.

Child Services Ombudsman: The bill also establishes the office of the Department of Child Services Ombudsman. The bill specifies that the ombudsman may receive, investigate, and attempt to resolve complaints that the Department of Child Services has failed to follow a specific law, rule, or policy, and thereby failed to protect the health or safety of a child. It also provides that the ombudsman may review certain records, and prohibits the redisclosure of certain confidential records.

Vehicle Weight Limits: The bill provides that the total gross weight with load of a vehicle or combination of vehicles transporting an ocean-going container may not exceed 95,000 pounds. (The current weight limit may not exceed 90,000 pounds.)

Effective Date: July 1, 2008 (retroactive); October 1, 2008 (retroactive); January 1, 2009 (retroactive); February 1, 2009 (retroactive); Upon passage; July 1, 2009; January 1, 2010.

Explanation of State Expenditures: The bill has the following state expenditure impacts.

State Appropriations: The following summary is for state appropriations during FY 2010 and FY 2011.

Appropriations by Function (SECTION 1-36)	FY 2010	FY 2011
General Government	$517,827,401	$536,953,229
Corrections	678,559,581	696,513,615
Other Public Safety	117,528,686	117,528,686
Conservation and Environment	85,716,798	85,711,798
Economic Development ***	70,151,194	70,151,194
Transportation	0	0
Mental Health	270,271,979	270,344,557
Public Health	73,230,226	63,536,431
Medicaid	1,290,521,432	1,551,715,051
Family and Children	788,040,257	788,040,257
Social Services and Veterans	271,334,618	271,339,282
Higher Education ****	1,753,742,039	1,765,377,785
Education Administration	15,582,911	15,582,911
Tuition Support - GF	6,381,650,000	6,497,650,000
Tuition Support - ARRA Funds	244,897,500	351,097,500
Social Security - Teachers	2,403,792	2,403,792
Teacher's Retirement - GF	687,306,248	714,798,497
Other Local Schools	273,384,575	273,384,575
Other Education	10,108,228	10,108,228
Distributions	249,753,902	179,753,902
Total Operating	$13,782,011,367	$14,261,991,290
Construction - Higher Ed	0	0
Construction - Other	216,727,387	216,727,373
Total Construction	$216,727,387	$216,727,373
Total (Oper. + Const.)- GF	$13,998,738,754	$14,478,718,663
BIF	$14,000,000	$14,000,000
Other Dedicated - Operating	1,892,202,892	1,927,288,349
Other Dedicated - Construction	46,740,626	46,740,621
Tobacco Settlement ***	137,567,249	139,632,839
Federal (Non-ARRA)	991,741,640	991,741,640
Federal - Other ARRA	385,254,731	385,254,731
Federal - ARRA(b) **	85,868,869	96,259,736
Total (Dedicated and Federal)	$3,553,376,007	$3,600,917,916
Total - All	**$17,552,114,761**	**$18,079,636,579**

** ARRA(b) = ARRA Section 14002(b).
*** Includes biennial appropriations for State Budget Agency Grant Program.
**** Includes appropriation to State Budget Agency for IU and PU for attracting federal research grants.
Not included in the table above is $123,759,143 in retroactive appropriations from ARRA funds.

State Budget Agency Grant Program: The bill appropriates $30 M from the Tobacco Master Settlement Fund and $20 M from the General Fund for the biennium to the State Budget Agency (SBA) to provide matching funds for one-time federal grants. The SBA may provide grants for the nonfederal match of federal grants that require no more than 30% matching funds. The bill requires the SBA to prepare summary lists of all applications and recommendations for funding for review by the State Budget Committee. The SBA is required to post a list of all approved grants on the agency's website.

American Recovery and Reinvestment Act of 2009: The bill appropriates funds received under the federal ARRA of 2009 for various purposes.

Retroactive Appropriations: The bill retroactively cancels the FY 2009 appropriation for Medicaid - Current Obligations and makes a retroactive FY 2009 General Fund appropriation, which results in $304 M less in state General Fund appropriations reflecting the increase in federal matching funds due to the ARRA stimulus funding. ARRA funding for the Medicaid program comes to the state via an increase in the federal medical assistance percentage (FMAP), resulting in a reduced share from the state General Fund.

The bill also retroactively cancels various FY 2009 appropriations for K-12 and higher education and appropriates approximately $124 M in ARRA funds for these purposes.

Higher Education Purposes: The bill restores the 1% cut in higher education funding for FY 2009 using ARRA State Fiscal Stabilization Fund (Section 14002(a)) funding and uses ARRA State Fiscal Stabilization Fund (Section 14002(b)) funding to fund:

1. Positive enrollment changes at 40% for 2010 and 80% for FY 2011.
2. 100% for the on-time degree completion grant.
3. In place of the on-time degree completion grant and enrollment change grant, Indiana University, Purdue University, and Indiana University-Purdue University-Indianapolis receive funding for the Indiana Innovation Alliance.

Transportation Purposes: The bill appropriates a total of $678 M for the biennium in federal ARRA funds to the Department of Transportation (INDOT) for various purposes. INDOT is required to submit plans for the allocation of the funds, listing the projects that are to be funded, for review by the State Budget Committee. INDOT is also required to submit reports detailing the status of the appropriations and the funded projects to the State Budget Committee by December 31 of 2009, 2010, and 2011. The bill provides that INDOT with the approval of the Governor may adjust the appropriations as necessary to comply with federal requirements to ensure the continuing eligibility for the funding.

Grants to Local Education Agencies (LEA) for Title I Purposes: The bill appropriates $221.66 M to LEAs for subgrants for purposes related to Title I. The funds must be used to support Title I-eligible students for repair and rehabilitation of facilities, upgrading of technology or equipment, training or professional development, or summer school or other remediation programs, the expenses of which are one-time and do not increase base operating expenses. The appropriation does not expire.

Grants to LEAs for Special Education Purposes: The bill appropriates $271.333 M to LEAs to support special education students for repair and rehabilitation of facilities, upgrading of technology or equipment, training or professional development, or summer school or other remediation programs, the expenses of which are one-time and do not increase base operating expenses. The appropriation does not expire.

Energy Conservation Purposes: The bill also appropriates $68.62 M to the state energy program within the

Lt. Governor's office for programs that increase energy efficiency, reduce reliance on imported energy, improve the reliability of electricity and fuel supply and the delivery of energy service, and reduce the impact of energy production and use on the environment. The appropriation does not expire.

Housing and Community Development Purposes: The bill appropriates $131.847 M to the Indiana Housing and Community Development Authority (IHCDA) for weatherization projects. Currently, IHCDA administers the Weatherization Assistance Program (WAP). Under the bill, IHCDA is authorized to increase the average expenditure limit per home to $6,500. Currently, IHCDA has an average expenditure limit of $2,500 per home in the WAP. IHCDA anticipates approving approximately 20,000 to 30,000 homes for funding under the WAP. The IHCDA reports that this bill will increase staffing needs for the WAP, but the increase in workload will be contracted out and financed from ARRA funding. The appropriation does not expire.

Wastewater and Drinking Water Projects: The bill appropriates $94,447,485 to the Indiana Finance Authority to provide loans for wastewater infrastructure projects and $27,212,000 to provide loans for drinking water infrastructure projects for cities, towns, counties, regional sewer or water districts, conservancy districts, and any other applicants determined by the IFA to be eligible for assistance. The IFA may grant fixed-rate loans with below-market interest rates and provide for forgiveness of a portion of the loan for applicants that have exceedingly high monthly user rates as determined by the IFA. The IFA must develop a process for distribution and use of the money appropriated, including deadlines for applying for assistance. As soon as practical, the IFA must report to the Budget Committee on the use of the money appropriated. The appropriations do not expire and may be augmented. The IFA should be able to accomplish the above tasks given existing levels of resources.

ARRA Appropriation Summary

Type	To	FY 2009	FY 2010	FY 2011	No Expiration
Retroactive	Higher Ed and K-12	$123,759,143			
ARRA(b) ** #	Various		$85,868,869	$96,259,736	
Other ARRA #	Various		46,254,731	46,254,731	
Tuition Support #	Department of Education		244,897,500	351,097,500	
Transportation #	INDOT		339,000,000	339,000,000	
Title I Subgrants	Local Education Agencies				$221,660,000
Special Education	Local Education Agencies				271,333,000
Energy Conservation	Lt. Governor				68,621,000
Housing/Community Dev.	IHCDA				131,847,000
Wastewater Projects	Indiana Finance Authority				94,447,485
Drinking Water Projects	Indiana Finance Authority				27,212,000
		$123,759,143	$716,021,100	$832,611,967	$815,120,485

* Biennial appropriations are split between FY 2010 and FY 2011.
**ARRA(b): American Recovery and Reinvestment Act of 2009, Section 14002(b).
Included in state budget bill summary totals in Table 1.

Appropriations from the Tobacco Master Settlement Agreement Fund are reported in the following table.

Tobacco Master Settlement Agreement Fund Appropriations	FY 2010	FY 2011
Attorney General	494,467	494,467
Rural Economic Development Fund	1,747,688	1,747,688
Indiana Prescription Drug Program	1,117,830	1,117,830
Children's Health Insurance Program	34,918,921	36,984,511
Community Mental Health Centers	7,000,000	7,000,000
Substance Abuse Treatment	4,855,820	4,855,820
Division of Aging Administration	1,447,410	1,447,410
Division of Disability and Rehabilitative Services Administration	360,764	360,764
Epilepsy Program	463,758	463,758
Bureau of Developmental Disabilities Services - Operating	1,869,887	1,869,887
Crisis Management	4,136,080	4,136,080
Outreach - State Operating Services	2,232,973	2,232,973
Residential Services for Developmentally Disabled Persons	15,229,000	15,229,000
Cancer Registry	610,647	610,647
Minority Health Initiative	3,000,000	3,000,000
Sickle Cell	250,000	250,000
Aid to County Tuberculosis Hospitals	96,883	96,883
AIDS Education	667,245	667,245
HIV/AIDS Services	2,162,254	2,162,254
Test for Drug Afflicted Babies	58,121	58,121
State Chronic Diseases	1,078,427	1,078,427
Women, Infants, and Children Supplement	190,000	190,000
Maternal and Child Health Supplement	190,000	190,000
Cancer Education and Diagnosis - Breast Cancer	86,490	86,490
Cancer Education and Diagnosis - Prostate Cancer	93,000	93,000
Project Respect	537,904	537,904
Donated Dental Services	42,932	42,932
Office of Women's Health	121,248	121,248
Minority Epidemiology	697,500	697,500
Community Health Centers	15,000,000	15,000,000
Prenatal Substance Use and Prevention	150,000	150,000
Local Health Maintenance Fund	3,860,000	3,860,000
Local Health Department Account	3,000,000	3,000,000
Indiana Health Informatics Corporation	300,000	300,000
Tobacco Use Prevention and Cessation Program	14,500,000	14,500,000
State Budget Agency (Section 49)	15,000,000	15,000,000
Total Tobacco Settlement Funds Appropriated	137,567,249	139,632,839

School Scholarship Tax Credit: The Department of State Revenue (DOR) estimates that administrative costs resulting from the School Scholarship Tax Credit provisions in this bill could be between $200,000 to $300,000. This estimate includes the potential cost of two or three full-time staff.

The DOR will incur additional expenses to revise tax forms, instructions, and computer programs to reflect the new tax credit. The DOR is also required to provide the following information on their website: (1) the credit application; (2) the time line for receiving the credit; and (3) the amount of credits awarded during the current calendar year. Contributors will receive a receipt from a scholarship granting organization that must be prescribed by the DOR, and include the amount of the contribution that is designated for use in a scholarship program. The DOR must also certify all qualifying applicants for certification as scholarship granting organizations and maintain a publicly available list of school scholarship programs that are certified as eligible to participate in the credit program. If a scholarship granting organization is suspected of fraud, then the DOR may conduct either a financial review or an audit of the organization. This bill provides for the DOR to adopt temporary rules to implement these provisions.

The cost of state tuition support could potentially decrease to the extent that scholarships shift students from public to private schools. Any savings could potentially offset the cost of the tax credit to the extent that the tax credit encourages new contributions that otherwise would not have occurred. Any potential savings realized from fewer students attending public schools would depend on future tuition support formulas and those reduced expenditures not being reallocated to other areas.

K-12 Education: Tuition Support: The tuition support appropriation for FY 2009 is $5,111.8 M, a decrease of about $123.2 M over the current FY 2009 appropriation. The appropriation for FY 2010 is $6,382.65 M, an increase of $1,269.9 M over revised FY 2009, and $6,497.65 M for FY 2011, an increase of $116 M over FY 2010. The increased funding provides additional school formula funding for CY 2010 and CY 2011 and the annualized cost of the state assumption of the General Fund property tax levy. The FY 2009 appropriation included the state paying the General Fund levy for the first six months of CY 2009.

Senator David C. Ford Educational Technology Fund: The bill would allow the fund to make grants to schools for the purchase of :
1. Equipment, hardware, and software;
2. Learning and teaching systems; and
3. Other materials;

that promote student learning. Any expenditures would be within the current revenue.

Virtual Charter Schools: The bill defines a virtual charter school as a charter school where over 50% of the instruction is provided by virtual distance learning, online technologies, or computer-based instructions. Virtual charter schools would be funded at 80% of the statewide basic tuition support. The per-student aid to virtual charter schools would be about $4,557 per student for CY 2010 and about $4,654 per student for CY 2011 under the tuition support formula in the bill.

Adult Education: The bill would expand the number of providers eligible for state adult education funding. For the 2008-2009 school year, an additional eight providers would be eligible for Department of Education adult education funding. [Currently, only school corporations are eligible for the $14 M adult education distribution. The distribution is a reimbursement of instructor salaries and administrative and support costs and may not exceed the actual expenditures. The reimbursement for instructors' salaries is based on a program average of ten eligible adults per unit of instruction. The reimbursement for administrative and support costs is calculated on actual expenditures, but may not exceed 5% of the total appropriation for adult education. If the requested reimbursement exceeds the appropriation, then the distribution is proportionately reduced.]

School Consolidation: The bill requires a school corporation with an ADM of fewer than 100 students to consolidate with an adjacent school corporation. Currently, one school, Prairie Township School in LaPorte county, meets this threshold. Their ADM is 36.5 for the 2009 school year, and the corporation receives state funding of about $13,300 per student. Consolidating with an adjacent school corporation should reduce state expenditures by about $200,000.

Virtual Schools: The bill clarifies that virtual charter schools are to receive basic tuition support equal to 80% of the statewide average basic tuition support per ADM times the virtual school's ADM. The impact would depend on the number of virtual charter schools that might be approved. The statewide average basic tuition support for CY 2009 is about $5,772, so virtual charter schools would receive about $4,617 per student.

Higher Education: University bonding projects are listed in the following table.

Eligible for Fee Replacement	
Purdue University	
Life Sciences Laboratory Renovations	$10,000,000
Medical School Renovations *	12,000,000
Indiana University	
Life Sciences Laboratory Renovations	10,000,000
Northwest Campus, Tamarack Hall Replacement **	33,000,000
IUPUI Life Sciences Laboratory Renovations	10,000,000
Ivy Tech Community College	
Anderson Campus	20,000,000
Warsaw Campus	10,100,000
Total Eligible for Fee Replacement	**$105,100,000**
Not Eligible for Fee Replacement	
Purdue University Lafayette Campus Student Fitness and Wellness Center	98,000,000
Indiana University-Purdue University at Fort Wayne Parking Garage	16,800,000
Total Not Eligible for Fee Replacement	**$114,800,000**
Total Bonding	**$219,900,000**

* A maximum of $6 M of the IU medical school renovation is eligible for fee replacement.
** The authorization for Tamarack Hall Replacement is reduced by any funds that Indiana University receives for the replacement as insurance proceeds.

The fee replacement on the $99.1 M of bonding authority would be about $7.6 M per year for 20 years.

The bill reinstates the bonding authorization under P.L. 234-2007, Sections 175, 177, 179, 180, and186. The total amount of reinstated bonding authorization is $410.9 M. The bill also reinstates a $350,000 appropriation for A&E Phase 2 for the Bloomington Campus made under P.L. 234-2007, Section 32.

The bill appropriates $3.75 M for FY 2009 and $5.625 M for FY 2010 and FY 2011 to assist Indiana University and Purdue University in attracting major federal research grants.

The bill requires the approval of the state public finance director before a state educational institution can enter into, modify, amend, or terminate any swap agreement.

The bill requires the Commission for Higher Education and SSACI to study the funding of college scholarship programs provided by SSACI and state educational institutions. They are to report and make recommendations to the State Budget Committee before June 30, 2010, on modernizing and improving scholarship programs. The study would be done within existing resources.

Health Insurance Study: The bill provides that the State Budget Agency must review the costs of providing employee health, vision, and dental insurance for state employees and employees of school corporations and public universities. School corporations and public universities must provide the data needed to complete the review. The SBA may use a part of the Departmental and Institutional Contingency Fund to hire professionals to assist in gathering and examining data. The SBA is to report findings of the review to the State Budget Committee before July 1, 2010. The biennial appropriation for the contingency fund is $10 M.

Automated Record Keeping Fee and Judicial Technology and Automation Project: The responsibility of administering the Judicial Technology and Automation Project would be transferred to the State Budget Agency effective July 1, 2009. Under current law the Division of State Court Administration receives an automatic annual appropriation for the project (IC 33-24-6-12(d)). As proposed, the State Budget Agency would receive $5 M annually in FY 2010 and FY 2011.

Prosecuting Attorneys Retirement Fund: State expenditures will increase with added retirement and disability benefits for prosecuting attorneys. These new costs are offset by increasing the Court Administration Fee from $5 to $7. The added revenue is initially deposited in the state General Fund. Twice a year, $1.044 M is transferred from the state General Fund to the Prosecuting Attorneys Retirement Fund and nine other court-related funds. The statutory transfers from the state General Fund to PARF will occur in semi-annual installments, regardless of the level of new Court Administration Fee revenue generated or new PARF funding requirements associated with the bill's pension provisions.

The following table shows the net effects on both the state General Fund and PARF *after all anticipated revenue* is generated by the fee increase. LSA anticipates that this will occur by FY 2012.

New Provisions	General Fund*	PARF*
Additional Court Administration Fee Revenue (Estimated)	$2.09	
Statutory Transfer from General Fund to PARF	($2.08)	$2.08
Additional PARF Annual Pension Costs (Estimated)		($2.12)
Net Effect	$0.01	($0.04)
* Note: Money is shown in $ millions		

The following table presents a summary of the new costs from the added benefits and the new revenues generated by increasing the Court Administration Fee. The revenue generated by this fee increase could take up to two years to reach its anticipated amount.

Summary of Net Impact on State General Fund and PARF (in $ Millions)					
	Effective	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**
New Revenue - Court Admin Fee Increase	Jul 1, 2009	$1.70	$1.90	$2.09	$2.09
Added Benefits - Retired Prosecuting Attorneys	Jan 1, 2010		$1.06	$2.12	$2.12
Net Effect on State General Fund and PARF *		$1.70	$0.84	($0.03)	($0.03)
* The state General Fund makes the first contribution to PARF on June 30, 2010 (FY 2010).					

PARF is financed through a combination of employee contributions from prosecuting attorneys and chief deputies and state General Fund appropriations. Any deficits that are created by the added expenditures from these new benefits and shortfalls in fee revenue would presumably be paid through new state General Fund appropriations.

The new expenditures for retirement and disability benefits are itemized in the following table. The funds affected are the state General Fund and PARF.

Description	Increase in Unfunded Liability	Increase in Annual Funding	Increase in Annual Funding as % of Pay
County Supplement included in Salary	$533,200	$66,200	0.2%
County Supplement capped at $5,000 (no change)			
Eliminate member contribution after 22 years of service	$0	$151,900	0.9%
Post-Retirement Benefit Increases (date changed to November 30, 2010 (one month earlier; no material impact) Also, it clarifies how the monthly benefit increases are determined.	$12,850,000	$1,620,000	8.9%
Reduces reduction factors for retirement before age 65	$796,100	$115,000	0.6%
Proration of benefits for partial years	$512,100	$84,800	0.4%
Eliminate minimum service requirement	($33,800)	$6,700	0.04%
Redefine Disability	($170,000)	$42,100	0.2%
Increase % used in computing disability benefits	$38,500	$15,000	0.1%
Increases minimum death benefit from $7,000 to $12,000	$26,900	$13,600	0.1%
Changes the salary definition to the office with the highest salary held by the participant either before or at the time of separation of employment, but this is current practice (no material fiscal impact)			
TOTAL	$14,553,000	$2,115,300	

Industrial Development Loans: This bill expands the purposes for which the Indiana Economic Development Corporation (IEDC) may make direct loans from the Industrial Development Loan Guaranty Fund. Currently, the IEDC may use the fund to guarantee a loan secured by, or a lease of, real property or tangible or intangible personal property to or for the benefit of any industrial development project, mining operation, or agricultural operation that involves the processing of agricultural products that would tend to create or retain employment in Indiana; and the proposed borrower or lessee cannot obtain the loan or lease upon reasonable terms. This bill expands the loan purposes to include for an Indiana supplier, contractor, or subcontractor for an industrial development project for which:

(A) bankruptcy was declared with respect to the project before January 1, 2009;

(B) the estimated value of the project or operation before bankruptcy was declared was at least $500 M; and

(C) the estimated number of employees upon completion of the project or operation was expected to be at least 1,200 persons.

Correctional Facility Bonding: The bill authorizes the IFA to provide for $45 M in additional bonding for the addition to two existing correctional facilities, subject to the approval of the State Budget Agency.

Soldiers' and Sailors' Children's Home Task Force: The bill establishes a seven-person task force that is to evaluate possible alternatives for the Soldiers' and Sailors' Children's Home. The task force is required to meet at least 12 times per year and report their findings to the Legislative Council and the Governor. This bill will increase state expenditures for per diem, travel, and other expense reimbursement.

The bill will also increase the workload of the Indiana State Department of Health (ISDH) to staff the task force. ISDH reports the provisions will increase state expenditures to provide one staff position for the task force. ISDH expenditures will also increase to provide reimbursement to task force members who are not members of the General Assembly. Members of the General Assembly will receive reimbursement from the Legislative Council. Increases in annual ISDH expenditures are estimated to be $58,000.

I-Light Fiber Optic Network: The Indiana Finance Authority will incur costs to evaluate the I-Light Fiber Optic Network and submit a report to the Governor and Legislative Council by November 1, 2009. However, the costs are expected to be within the resources of the IFA. [The IFA is a body separate and politic from the state. It does not receive operating funds from the state General Fund and must use its own accounts to pay for the expenses it incurs. The I-Light Fiber Optic Network provides connections among Indiana University, Purdue University, and Indiana University-Purdue University-Indianapolis, and it is eventually supposed to connect all universities in the state.]

Tamper Resistant Prescription Drug Forms: The bill would allow the Secretary of the Family and Social Services Administration to adopt rules requiring the use of tamper-resistant prescription drug forms within the Medicaid program, the Healthy Indiana Plan, the Children's Health Insurance Program, and the Medical Assistance for Residents of County Homes program. The fiscal impact of this provision would depend on the content of any rules that would be adopted by the Secretary.

Department of Child Services Ombudsman: The bill establishes the Office of the Department of Child Services Ombudsman within the Department of Administration. It specifies the powers and duties of the Office. It is estimated that $445,400 annually would be required to establish the Office. The provision does not include an appropriation.

Explanation of State Revenues: The bill has the following state revenue impacts.

Gaming License Transfers: The bill prohibits the Indiana Gaming Commission (IGC) and the Indiana Horse Racing Commission (IHRC) from doing either of the following:

(1) Imposing by rule a fee not authorized by statute on any party to a proposed transfer of an ownership

interest in a pari-mutual horse racing permit, a riverboat casino owner's license or operating agent permit, or a racetrack slot machine facility license;

(2) Make the IGC or IHRC's approval of a transfer of such a license or permit contingent upon payment of any amount not authorized by statute.

The IGC and IHRC adopted rules in 2007 requiring payments to be made to the state by persons transferring an ownership interest in a pari-mutual horse racing permit, a riverboat casino license or operating agent permit, a racetrack slot machine facility license, or a supplier's license. The IGC rule is no longer in effect and no payments were made under the IGC rule while it was effective. The IHRC rule remains in effect, and three payments have been made under the IHRC rule. LHT Capital, LLC paid $9 M in August 2007; Duff Taylor Investments, LLC paid $270,000 in May 2008; and Centaur Racing, LLC paid $375,000 in May 2008. Any future fiscal implications of prohibiting the IHRC from continuing to impose a transfer fee or contingent payment are indeterminable because the frequency of future ownership transfers is unpredictable.

Internal Revenue Code Reference Update: The bill updates the reference to the Internal Revenue Code (IRC) to incorporate all the federal changes made up to February 17, 2009. The current reference to the IRC pertains to all IRC provisions amended and in effect on January 1, 2008. The update would include changes as a result of the following federal acts:

(1) The *Economic Stimulus Act of 2008* (P. L. 110-185), signed into law on February 13, 2008.
(2) The *Heroes Earnings Assistance and Relief Tax Act of 2008* (P. L. 110-245), signed into law on June 17, 2008.
(3) The *Housing and Economic Recovery Act of 2008* (P. L. 110-289), signed into law on July 26, 2008.
(4) The *Emergency Economic Stabilization Act of 2008* (P. L. 110-243), signed into law on October 3, 2008.
(5) The *American Recovery and Reinvestment Act of 2009* (P. L. 111-5), signed into law on February 17, 2009.

It is estimated that the fiscal impact from the bill will begin in FY 2009. The estimated fiscal impact of the bill and the federal acts generating the fiscal impact are summarized in the table below. The *Economic Stimulus Act of 2008* is not expected to generate a fiscal impact.

Provisions (Revenue impact in millions)	FY 2009	FY 2010	FY 2011
Heroes Earnings Assistance and Relief Tax Act	(0.02)	(0.03)	(0.02)
Housing and Economic Recovery Act	0	0.04	0.25
Emergency Economic Stabilization Act	(20.26)	(19.22)	(6.06)
American Recovery and Reinvestment Act	3.3	1.7	(2.1)
Total Impact on State Revenue	**(16.98)**	**(17.5)**	**(7.93)**

The bill decouples from the following provisions of the *Emergency Economic Stabilization Act*:

(1) A provision that allows a financial institution to treat the gain or loss from the sale of preferred stock in Fannie Mae or Freddie Mac as ordinary gain or loss and not as a capital gain or loss - allowing losses from the sale of such stock to be written off against ordinary income instead of only capital gains. The provision

applies to preferred Fannie Mae or Freddie Mac stock held by a financial institution on September 6, 2008, or sold by a financial institution between January 1, 2008, and September 7, 2008.
(2) A temporary extension of the exclusion (for tax years 2010, 2011, and 2012) for any income received by a taxpayer by reason of discharge, either in whole or in part, of debt on the taxpayers' principal residence.
(3) A temporary extension of the exclusion (for tax year 2009) for certain income derived by controlled foreign corporations (CFCs) conducting banking, financing, or insurance business.
(4) A temporary accelerated cost recovery period for retail building improvements and new restaurants placed into service in 2009.
(5) A bonus depreciation provision (50% depreciation in the first year) for certain real and personal property placed into service in 2008 and 2009 in a disaster area relating to a federally declared disaster occurring before January 1, 2010.
(6) A temporary extension of the special expensing provisions for refinery property.
(7) A temporary extension of special expensing provisions for film and TV production costs.
(8) A special 5-year (instead of 2-year) carryback for net operating losses that are qualified disaster losses incurred in 2008 and 2009.

The bill also decouples from the following provisions of the *American Recovery and Reinvestment Act of 2009*:

(1) A temporary exclusion (for tax year 2009) from a taxpayer's gross income of up to $2,400 of unemployment insurance benefits.
(2) A provision allowing businesses to defer recognition of taxable income from the discharge of certain indebtedness in 2009, 2010, and 2011.
(3) A special 5-year (instead of 2-year) carryback for 2008 net operating losses incurred by businesses with $15 M or less in gross receipts.

State Retiree Health Benefit Trust Fund: The bill establishes the State Retiree Health Benefit Trust Fund to provide funding for the State Retiree Health Benefit Plan. The fund is to be administered by the State Budget Agency and is to be considered a trust fund, such that money can not be transferred, assigned, or otherwise removed from the fund by the State Board of Finance, the Budget Agency, or any other state agency, other than for the exclusive benefit of participants of the State Retiree Health Benefit Plan.

The bill also changes the distribution of cigarette and tobacco tax revenue and provides that 6.56% of the revenue that would have been deposited in the state General Fund for the purpose of a health initiative and for reimbursing the state General Fund for the employer health plan tax credit provided under IC 6-3.1-31 is to now be distributed to the trust fund. The estimated distribution of tax revenue is approximately $33 M annually; however, cigarette and tobacco products tax revenue may decline from these levels in future years due to recent increases in federal cigarette taxes.

Special Volume Cap Provisions: The bill provides that any special volume cap regarding bonds issued under a federal act providing the cap is in addition to the volume cap under Section 146 of the Internal Revenue Code. The Indiana Finance Authority is currently responsible for allocating the private activity bond caps and will be responsible for determining any allocation of special volume caps.

School Scholarship Tax Credit: This bill provides a nonrefundable tax credit to individuals and corporations that make contributions to scholarship granting organizations beginning in tax year 2010. The amount of credits that will be claimed and the resulting fiscal impact on the state General Fund beginning in FY 2011 is indeterminable. However, the amount of credits granted may not exceed $5 M in any fiscal year.

The credit is equal to 50% of the amount of the charitable contribution, and may be taken against the Individual and Corporate Adjusted Gross Income (AGI) Tax, the Financial Institutions Tax, and the Insurance Premiums Tax. The tax credit may not be carried back or carried forward. Revenue from the Individual and Corporate AGI Tax, the Financial Institutions Tax, and the Insurance Premiums Tax is distributed to the state General Fund.

If 5,000 individuals or corporations donate $500 each, then the revenue loss would be $1.25 M. If 10,000 individuals or corporations donate $1,000 each, then the revenue loss would be $5 M. Charitable contributions must be made to school scholarship programs established by scholarship granting organizations to assist in payment of tuition, transfer tuition, and fees for eligible students.

Currently, there are approximately 7,770 students attending schools where tuition and fees are required and who qualified for the federal free or reduced price lunch program. This number has increased by approximately 0.22% since FY 2005. The average cost of education per student was approximately $6,350 for FY 2008. Assuming the average cost of education per student, approximately 1,600 students could receive support from contributions of $10 M–the maximum amount of contributions that would be eligible for the tax credit each fiscal year.

The bill defines an eligible student as an individual who: (1) is an Indiana resident; (2) is between ages 5 and 22; (3) either has been or is currently enrolled in a participating school; (4) either lives in a household with an annual income of not more than 200% of the amount required for federal free or reduced price lunch or received a scholarship in the immediately preceding school year or term and met the income requirement; and (5) is either enrolling in kindergarten, was enrolled in a public school during the school year preceding the first school year for which a scholarship granting organization provided a scholarship, received a scholarship in the previous year from a nonprofit scholarship granting organization that qualifies for certification as a school scholarship program, or received a school scholarship for the previous year.

The bill defines participating schools as public and nonpublic schools that: (1) an eligible student is required to pay tuition or transfer tuition to attend; (2) voluntarily agrees to enroll an eligible student; (3) is accredited by either the state board or a national or regional accreditation agency that is recognized by the state board; and (4) administers the tests under the Indiana Statewide Testing for Educational Progress (ISTEP) program or administers another nationally recognized and norm-referenced assessment of the school's students.

K-12 Education: Charter School Loan Repayment: Charter schools would not be required to make principal or interest payments to the state Common School Fund on advancements made to the charter school when they began operations or when they had a significant increase in enrollment. Charter schools generally begin in the fall but do not receive state funding until the following January. Charter schools are allowed to borrow from the Common School Fund the estimated operational expenses for the first six months of operation. The reduction in revenue would probably be minor. The bill extends the length of the advancements by two years.

Automated Record Keeping Fee and Judicial Technology and Automation Project: Reducing the Automated Record Keeping Fee from $7 to $5 and excluding Marion County Small Claims Courts from charging the fee will reduce revenue in 2010 and 2011. These fee revenues are initially deposited into the State User Fee Fund and later transferred to the Judicial Technology and Automation Project Fund.

Revenue Deposited into the Judicial Technology and Automation Project Fund (in $Millions).					
	FY 2010	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**
Fee under Current Law	$7.00	$7.00	$4.00	$4.00	$4.00
Proposed Fee	$5.00	$5.00	$5.00	$5.00	$5.00
Revenue Change Due to Fee Change (in $M)*	($1.94)	($1.94)	$0.97	$0.97	$0.97
Revenue Loss from Excluding Marion County Small Claim Courts (in $M)	($0.50)	($0.50)	($0.24)	($0.24)	($0.24)
Total Change in Revenue	**($2.44)**	**($2.44)**	**$0.73**	**$0.73**	**$0.73**
* Each $1 change equals $970,572.					

Prosecuting Attorneys Retirement Fund: This bill increases the Court Administration Fee from the current $5 to $7 (estimated to generate $2.088 M annually) and transfers $1.044 M semiannually from the state General Fund to a series of court-related funds and programs (99% of which is for the Prosecuting Attorneys Retirement Fund). This revenue estimate is based on filings and dispositions between 2001 and 2006 and adjusted for persons not paying a fee because a case was dismissed, or because defendants either failed to pay or appear in court or had their fee waived because they were represented by pauper counsel. [Approximately $1.74 M is estimated to be raised from trial courts and $0.34 M from city and town courts. These added revenues from the court fee increase may take 12 to 18 months before they generate the full estimated revenue because of timing and reporting differences.]

The following table shows the net effect on the state General Fund after the semiannual transfer of money from the state General Fund to the PARF.

Impact of Court Administration Fee Revenue Changes (in $ Millions)				
	FY 2010	FY 2011	FY 2012	FY 2013
Increase in Court Administration Fee	$1.70	$1.90	$2.09	$2.09
Less: Annual Transfer to Court-Related Funds (Mostly PARF)	$1.04	$2.09	$2.09	$2.09
Effect on State General Fund	$0.66	($0.19)	$0.00	$0.00

Added expenditures for new retirement benefits would be drawn from the added revenue being deposited each year into PARF. If payouts for these added benefits are greater than anticipated, then any excess spending would be paid from the state General Fund. In 2007, the Prosecuting Attorneys Retirement Fund had 20 persons receiving benefits, 206 active members and 308 terminated members with service.

Vehicle Weight Limits: Increasing the total gross weight to 95,000 pounds (from the current 90,000 pounds) for an ocean-going container may or may not increase revenue generated from the oversize/overweight permits. The Department of State Revenue reports that since the enactment of the oversize/overweight permit for ocean-going containers in CY 2007, four such permits have been issued. These annual permits cost $800. The fund affected is the state Highway Fund.

<u>**Explanation of Local Expenditures:**</u> The bill has the following local expenditure impacts.

Local Unit Provisions: The bill allows elected officers to waive compensation. This provision could save counties, cities, and townships expenditures of an unknown amount, depending on the number of elected officials waiving compensation in a given year. (Town elected officers are already allowed to waive compensation.)

K-12 Education: School Fiscal Year Budgeting: The bill delays the requirement that schools start budgeting on a fiscal year cycle from June 30, 2010, to June 30, 2011. The provision could result in a minor reduction in school administrative expenses.

Capital Project Fund Utility and Insurance Expenditures: The bill would also eliminate a school's ability to pay a portion of their property insurance and utilities from the capital projects fund. The maximum amount of property insurance and utilities that can be paid from the capital projects fund is about $202 M under current statute.

Lawrenceburg Community School Corporation: The bill would allow the city of Lawrenceburg to finance school construction for the Lawrenceburg Community School Corporation. The bill could reduce Lawrenceburg Community School's potential bonding need if the city agreed to build or finance school construction. The impact would depend on the project. As an example, a $25 M bond at 4% interest over 30 years would cost about $1.4 M annually.

Health Insurance Study: School corporations are to provide the data needed to complete a review of the costs of providing employee health, vision, and dental insurance for state employees and employees of school corporations and public universities as requested by the State Budget Agency. This provision will increase school expenditures by a minimal amount.

Prosecuting Attorneys Retirement Fund: The maximum county supplement to a county prosecutor is $5,000, and about 60%-65% of counties participate. Counties which currently pay the supplement but do not pay Social Security and Medicare taxes are required by this bill to reimburse these taxes to the state. This will add to county expenditures. An informal survey of county prosecutors by the Indiana Prosecuting Attorneys Council reveals that the practice of directly paying such taxes varies among the counties.

Explanation of Local Revenues: The bill has the following local revenue impacts.

American Recovery and Reinvestment Act: The bill provides that cities, towns, counties, regional sewer or water districts, conservancy districts, and any other applicants approved by the IFA may be eligible for loans from funds received under the federal ARRA to the IFA. The IFA will receive $94,447,485 to provide loans for wastewater infrastructure projects and $27,212,000 to provide loans for drinking water infrastructure projects.

Internal Revenue Code Reference Update: The IRC update could potentially affect taxable income of individual taxpayers. The impact on counties imposing local option income taxes is indeterminable and would vary.

K-12 Education: Stimulus Funding: The bill appropriates $221.660 M for Title 1 funding and $271.333 M for special education funding from ARRA for distribution to local schools.

School Formula: The bill modifies the CY 2009 school formula and creates a school formula for CY 2010 and CY 2011.

The basic changes in the school formula from the current 2009 formula are the following.

1. The free and reduced lunch percentage used in the formula is updated to the 2009 school year's percentage of students eligible for free or reduced lunch. The second tier calculation of the complexity index is removed.
2. The school formula uses the current ADM instead of the greater of the current ADM or the 5-year average ADM.
3. The foundation grant remains $4,825, and the free and reduced lunch funding level in the complexity index remains at $2,400.
4. The transition to foundation is accelerated for schools transitioning down to foundation. Schools transition down to foundation within two years instead of the current three-year cycle and become foundation schools in CY 2010 and CY 2011. Currently, the maximum reduction in the regular program funding from the prior year is $50 per adjusted ADM.
5. The three-year transition for schools moving up to foundation is continued. The bill does remove the minimum increase of $100 per adjusted ADM.
6. The bill removes all the flat grants for CY 2009-2011 that are in the current CY 2009 school formula.
7. A separate grant is established using state fiscal stabilization funds under Section 14002(a) of Division A, Title XIV, of ARRA. The grant funds a hold-harmless provision for CY 2009 and a modified hold-harmless provision for CY 2010 and CY 2011 to the current CY 2009 regular program funding. The modified hold-harmless for CY 2010 and CY 2011 is the lesser of the current CY 2009 regular program funding or the current CY 2009 regular support per ADM plus $275 in CY 2010 and $425 in CY 2011.
8. The special education grant includes special education preschool students.
9. The special education, career and technical education, prime time, and honors grants are funded at the same level as 2009. Schools cannot receive less regular tuition support ("hold harmless") than they received in CY 2009.

The following table outlines the increase over current CY 2009 funding levels.

	Current CY 2009	Revised 2009	CY 2010	CY 2011
State Regular	5,763,830,000	5,609,210,000	5,701,300,000	5,831,060,000
Special Education	494,510,000	494,510,000	499,140,000	503,080,000
Career& Technical	87,230,000	87,170,000	89,750,000	93,070,000
Prime Time	121,510,000	124,080,000	123,050,000	118,470,000
Honors	17,150,000	17,140,000	17,800,000	18,430,000
Sub Total	6,484,232,009	6,332,110,000	6,431,040,000	6,564,110,000
Restore 2009		154,980,000	178,010,000	183,680,000
Total	6,484,232,009	6,487,090,000	6,609,050,000	6,747,790,000

School Property Tax Replacement Grants: The bill changes the School Property Tax Replacement Grant calculation. Under current law, to qualify for the grant a school must have circuit breaker losses of more than 2% of its total school property tax levy. For CY 2009, it is estimated that the current grant will provide sufficient funding to pay 100% of the circuit breaker losses for schools where the loss exceeds 2% of levy.

Beginning in CY 2009, this bill changes the distribution of these grants to pay for the circuit breaker losses of any school with a revenue loss over 3.54%. As an example, under current law, if a school's total levy was $10,000 and their circuit breaker loss was $600, then the school would qualify for a $600 grant, and if their loss was $100, then they would not qualify for a grant since the loss is less than 2% of levy. Under the bill, if the loss is $600, then they would qualify for a $246 grant ($600-3.54%*$10,000), and if their loss is $100, then they would qualify for a $0 grant ($100-0.15%*$10,000).

The estimated revenue for School Property Tax Replacement Grants is $24 M for CY 2009, $67.6 M for CY 2010, and $77.2 M for CY 2011. The grants are funded using the ARRA State Fiscal Stabilization Fund (Section 14002(a)). If the grants exceed the available revenue, then the grants are to be proportionately reduced.

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Alan Gossard, 317-233-3546; Diane Powers, 317-232-9853; Kathy Norris, 317-234-1360.